Euromonitor International

Heat Pumps: The Sustainable Heating and Cooling Appliance

July 2026

EXECUTIVE SUMMARY

Why read this report?
Key findings

INTRODUCTION

Exploring heat pumps
Drivers of heat pumps
Exploring three key drivers and challenges for hea t pumps

GOVERNMENTS DRIVE HEAT PUMP DEMAND THROUGH POLICY SIGNALS

Policy volatility is holding back heat pump adoption
Europe leading heat pumps adoption due to policy commitment
Italy's Superbonus shows effects of short-term subsidy volatility
Building growth is possible in conjunction with policy

REGIONAL CLIMATE SHAPES HEAT PUMP TECHNOLOGY PREFERENCES

Eu rope strongly dominates in air-to-water systems due to legacy infrastructure
Terravis Energy's prototype AetherLux , air-to-air solution in cold climates
Daikin addressing European market specifics with Altherma 3H HT air-to-water unit
Climate creates distinct paths and opportunities to adoption

UPFRONT COSTS AND SUBSIDY UNCERTAINTY STALL ADOPTION

High initial cost for heat pumps remains the number one adoption barrier
US heat pump market faces volatility as most federal incentives face phase-out
Hybrid solutions increasingly offered by manufacturers lower adoption barriers
Driving heat pump growth via accessibility and financial innovation

CONCLUSION

Heat pumps: How to win
Evolution of heat pumps
Questions we are asking

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For more information on this report, further enquiries can be directed via this link www.euromonitor.com/heat-pumps-the-sustainable-heating-and-cooling-appliance/report.